

**A Preliminary Resolution of the Common Council of the City of Evansville
Declaring an Economic Revitalization Area for Property Tax Phase-In for
The Construction of Real Property**

Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.

Whereas, Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc. (the "Applicant") has submitted a Statement of Benefits and made application for Economic Revitalization Area designation pursuant to IC 6-1.1-12.1 et seq. and Evansville Common Council Resolution C-2002-3 as Amended (the "Tax Phase-In Resolution") for the property located at: See Section 1e.; and

Whereas, said property meets the criteria for designation as an Economic Revitalization Area pursuant to IC 6-1.1-12.1- et seq;

NOW THEREFORE, BE IT RESOLVED by the Common Council of the City of Evansville as follows:

Section 1. The Common Council has reviewed the Statement of Benefits and additional information submitted pursuant to I.C. 6-1.1-12.1 and Common Council Resolution C-2002-3 as Amended and made the following findings:

- a. The estimate of the value for the construction of new real property by the Applicant is reasonable for projects of that type; and
- b. The estimate of the number of individuals who will be employed or whose employment will be retained by the project can be reasonably expected to result from the proposed acquisition and installation of manufacturing equipment; and
- c. The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained by this project can reasonably be expected to result from the proposed new building construction; and
- d. The totality of benefits likely to accrue from this project is sufficient to justify a tax deduction.
- e. The property known as:

7801 E. Division Street, Evansville, IN 47715

Parcel ID: 82-07-19-011-239.006-027

has been found to meet the requirements of an Economic Revitalization Area pursuant to IC 6-1.1-12.1.

FILED

AUG 05 2014

Anna Winkler
CITY CLERK

Section 2. Based on these findings, the Common Council has determined that the purposes of I.C. 6-1.1-12.1 are served by allowing the deduction and the property described in Section 1.e. (above) is hereby declared to be an Economic Revitalization Area.

Section 3. The designation of this Economic Revitalization Areas shall apply to property tax deductions for "real property" as provided in IC 6-1.1-12.1-4.5 and IC 6-1.1-12.1-3.

Section 4. The designation of this Economic Revitalization Area shall be in effect up to and including 2017.

Section 5. The length of deduction to be allowed for this project for "real property" shall be for 10 years for Real Property as described on their SB-1 (and attached hereto) based on the scheduled provided – Real Property based per schedule on Attachment 1.

Section 6. The Statement of Benefits submitted by the applicant and dated May 29, 2014 is hereby approved.

Section 7. Benefits provided by this Preliminary Resolution shall accrue and be valid for any investment made prior to the passage of this resolution, but not before August 1, 2014 as provided by the SB-1 attached hereto.

Section 8. This Resolution shall be in full force and effect from and after its passage by the Common Council, signing by the Mayor, and advertisements, if any, as required by law.

Attachment 1

Real Property Schedule

Parcel ID: 82-07-19-011-239.006-027

Resolution C-2014-

Tri-State Orthopaedic Surgeons, Inc.

Year	Tax Phase-In
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

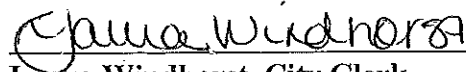
PASSED BY the Common Council of the City of Evansville, Indiana, on the 25 day of August, 2014, on said day signed by the President of the Common Council and attested by the City Clerk.



President of the Common Council, John Friend


ATTEST: Laura Windhorst
Laura Windhorst, City Clerk

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 26 day of August, 2014, for his consideration and action thereon.



Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of Evansville, Indiana, approve said resolution and return the same to the City Clerk this 26 day of September, 2014.



Lloyd Winnicke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM
BY TED ZIEMER, CORPORATION COUNSEL



Council Meeting 08/25/2014

SUBJECT: The Growth Alliance has received an application for Economic Revitalization Area Designation from Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons located at 225 Crosslake Drive, Evansville, IN 47715. Their intent is to open a new 25,000 sq. ft. facility that will bring strategic partners together under one roof to maximize synergies and grow the overall practices of all entities. The facility will provide office space for use by Tri-State's medical partners who are scattered between multiple counties.

What makes the project unique and the reason to consider tax phase-in for this project is that they are looking to bring Pollux Systems to Vanderburgh County. Pollux helps physician practices across the nation improve all aspects of practice performance and productivity by providing innovative and practical technology, excellent customer service and proven expertise in the minutia of medical practice management. Pollux Star Power Consulting services are comprehensive, they have been working with medical practices for over 20 years and have developed some of the most powerful technology and management services in the industry. As the medical practice becomes more and more reliant on administrative sophistication and specialization, Pollux is a partner in making those adjustments and maintaining excellent patient service and care.

Everything needed to maximize margins is available through Pollux Star Power Consulting, including:

Technology Solutions

- Meaningful Use; EHR Analysis (Electronic Health Records); Hardware and software ; EKG Billing; Security Audits

Interim Management – Pollux can provide seamless management in a medical practice:

- Practice Manager; Billing Manager; AR Management

Coding

- Computer assisted coding models – Pollux can integrate existing dictated reports with our technology to automate the coding process; Quality Assurance (QA); Training; ICD10 Preparedness – Pollux will provide training to the physicians to address the changes in diagnosis coding with the implementation of the new code set ICD10.

Compliance

- RAC Audits – Pollux will perform an analysis of current coding to ensure compliance with Medicare to prevent or prepare the practice for a Medicare RAC audit; HIPAA/Hi-tech – Pollux will help build a compliance program to address HIPAA as well as the newer Hi-tech guidelines; OIG Audits – Pollux will build a program to address the audit requirements passed down by the Office of Inspector general.

Credentialing

- Software – Pollux can provide credentialing software for use by the practice; Management – Pollux can use its credentialing software to manage the credentialing of the group.

Workflow analysis

- Practice Workflow Audits; Build policy and procedures; Document processes; Training; Workflow implementation

In addition they will incorporate Tri-State Orthopaedics which is the largest orthopaedic practice of its kind in the Evansville, Indiana area. Founded in 1949, by Dr. John H. Sterne and Dr. Henry



Greater Evansville Economic Development

Application for Economic Revitalization Area Designation

General Information			
Name of Taxpayer Seeking Phase-In	Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.		
Street Address of Taxpayer	225 Crosslake Drive		
City, State, Zip	Evansville, IN 47715		
Name of Authorized Representative	DuCharme, McMillen & Associates - Attn: Bill Faulkner		
Street Address of Authorized Representative	8440 Allison Pointe Boulevard - Suite 300		
City, State, Zip	Indianapolis, IN 46250		
Phone and Fax	P: 317-596-3260 Fax: 317-596-3264		
Proposed Project Information			
Address of Property	7801 E. Division St.	Tax Code(s) for Property	82-07-19-011-239.006-027
Size of Property (sf)		NAICS Code	821111
City, State, Zip	Evansville, IN 47715	Current Zoning	C-4
Township		TIF District	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Legal Description of Property	KO-2 Crossroads Commercial Center Lot 6		
<p>Provide a brief description of the applicant's business, including company history, products(s), facilities, sales and corporate growth, and corporate employment. Also discuss any applicable future growth, planned expansions, and/or corporate diversification, where applicable. (You may attach it as "Company Profile")</p> <p>What makes the project unique is the Pollux Systems, Inc. Pollux, through consultation, helps physician practices across the nation improve all aspects of practice performance and productivity by providing innovative and practical technology, excellent customer service and proven expertise in the minutia of medical practice management. Pollux Star Power Consulting services are comprehensive; they have been working with medical practices for over 20 years and have developed some of the most powerful technology and management services in the industry. As the medical practice becomes more and more reliant on administrative sophistication and specialization, Pollux is a partner in making those adjustments and maintaining excellent patient service and care. The partnership and collaboration with Tri-State Orthopaedic Surgeons brings together a powerful group that will benefit both groups and allow for future growth in their respective fields.</p>			
Project Overview			
Provide a Detailed Description of the Proposed Project (Including how the Subject Property will be used, physical changes made to the property)	<p>Pollux Systems and Tri-State Orthopaedics look to collaborate to improve medical billing, coding, and overall revenue cycle management. Pollux would like to move from their current location to Evansville in order to better market their services and grow their customer base regionally. The majority of this facility would house Pollux's corporate office, relocating it from the present facility, and staff providing greater efficiencies and economics for their customers. With this collaboration, more opportunity will be given to Pollux through Tri-States relationships allowing Pollux to grow substantially in the coming years. This is a 25,000 square foot new construction Class A office space.</p>		
*Will the Project Require Additional Municipal Services or Facilities?	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>		
*If yes please state need			

Contribution of Company

In what ways has the company contributed to the improvement of the neighborhood or surrounding area, or participated in community activities or programs?

Tri-State supports the EVSC by providing athletic trainers at all of the local high schools. An endowment was set up and funded by Tri-State to provide an annual scholarship at Ivy Tech for students who need educational assistance. Tri-State is an active partner with the YMCA, Easter Seals, St. Mary's Foundation, Shriner's Fest, Arthritis Foundation, Economic Development Coalition of SW Indiana and many other local charities and events.

Is it your intent to use your best efforts to hire local contractors for the building and/or installation of equipment?

Yes

*Please attach any additional information that you feel will assist in evaluating this request for property tax phase-in.



Click "Sign" to fill out and sign this form. When you are done, you can save a copy by clicking "Done Signing".

I understand that if tax phase-in is granted for this project, that the Applicant will be required to submit a "Compliance with Statement of Benefits" form annually; and

It is my further understanding that if the Applicant should fail to comply with its commitments in job creation, job retention, project investment and/or any other commitments associated with its tax phase-in application, that the designating body has the right, after conducting a public hearing, to terminate said tax phase-in deductions.

I hereby affirm and certify that the information and representations of fact made in this application are true and complete.

Signature: Pe. R

Title: CEO

Date: July 29, 2014

For this application to be complete, it must be accompanied by a signed "Statement of Benefits" (State Form 27167) and a check for the appropriate application fee. The check should be made payable to the Growth Alliance for Greater Evansville (GAGE).

Application Fees:

Real Estate Improvements	\$500.00
New Manufacturing or Research & Development Equipment	\$250.00

Application Fee Submitted: _____

Growth Alliance for Greater Evansville
Phone: (812) 401.4243
Email: info@GrowthAllianceEvv.com
www.GrowthAllianceEvv.com

Update: Tuesday, August 13, 2013



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

FORM SB-1 / Real Property

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☒ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
3. To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
5. The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1 TAXPAYER INFORMATION					
Name of taxpayer Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.					
Address of taxpayer (number and street, city, state, and ZIP code) 225 Crosslake Drive, Evansville, IN 47715					
Name of contact person Phil Rawley		Telephone number (812) 488-4605		E-mail address prawley@trstate-ortho.com	
SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT					
Name of designating body City of Evansville				Resolution number	
Location of property 7801 E. Division Street, Evansville, IN 47715		County Vanderburgh		DLGF taxing district number 82-027	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 25,000 square foot Class A office building.				Estimated start date (month, day, year) 10/30/2014	
				Estimated completion date (month, day, year) 04/30/2015	
SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number 46.00	Salaries \$21.22	Number retained 46.00	Salaries \$21.22	Number additional 55.00	Salaries \$21.50
SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential. Current values Plus estimated values of proposed project Less values of any property being replaced Net estimated values upon completion of project		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
		20,200.00		20,200.00	
		4,500,000.00			
		4,520,200.00			
SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds) <u>0.00</u>			Estimated hazardous waste converted (pounds) <u>0.00</u>		
Other benefits Pollux Systems and Tri-State Orthopaedics look to collaborate to improve medical billing, coding, and overall revenue cycle management. The majority of this facility would house Pollux's corporate office, relocating it from the present facility, and staff providing greater efficiencies and economics for their customers. With this collaboration, more opportunity will be given to Pollux through Tri-States relationships allowing Pollux to grow substantially in the coming years. This is a 25,000 sq. ft. Class office building that fits into Vanderburgh County's business attraction target.					
SECTION 6 TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.					
Signature of authorized representative 		Title Chief Executive Office		Date signed (month, day, year) 07/31/2014	

City of Evansville, IN
Tax Phase-in Application Scoring

Real Property

Company Name: Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc

Application Date: 7/29/2014

1. Investment or percent of assets -choose higher points (25 points maximum) 20
- | | | |
|----------------------------|---------------|-----------|
| Up to \$500,000 | 0 - 5% | 5 points |
| \$500,001 to \$1 million | 6 - 10% | 10 points |
| \$1,000,001 to \$3 million | 11 - 15% | 15 points |
| \$3,000,001 to \$5 million | 16 - 20% | 20 points |
| \$5 million + | more than 20% | 25 points |
2. Anticipated new Full Time employment within 5 years (25 points maximum) 15
- | | |
|--------------------|-----------|
| 5 to 20 employees | 5 points |
| 21 to 40 employees | 10 points |
| 41 to 60 employees | 15 points |
| 61 to 80 employees | 20 points |
| 81 employees + | 25 points |
3. If tax phase-in is not granted, how many current jobs would be lost or jeopardized? (30 points maximum) 30
- | | |
|--------------------|-----------|
| 1 to 10 employees | 10 points |
| 11 to 20 employees | 15 points |
| 21 to 30 employees | 20 points |
| 31 to 40 employees | 25 points |
| 41 employees + | 30 points |
4. Wage level - The average county wage = \$18.05/hr for Vanderburgh County determined by Indiana Department Workforce Development. (20 points maximum) 17
- | | |
|---|-----------|
| = Vanderburgh Co. average wages (+/- 5%) | 3 points |
| 6% to 19% > Vanderburgh Co. average wages | 7 points |
| 20% > Vanderburgh Co. average wages | 10 points |
| Value of benefits is => 15% of base pay | 10 points |
5. Use, reuse, rehabilitation and/or expansion of an existing facility. (15 points maximum) 0
6. Targeted Business - The applicant is deemed a "good fit" for Evansville/Vanderburgh County (i.e. environmentally friendly, high technology industry, enhances economic diversification.) (5 points maximum) 5
7. Appropriate location - Investment made in a targeted area such as a Redevelopment Area or Urban Enterprise Zone, and in an appropriate location as determined by the Comprehensive Area Plan. (5 points maximum) 5
8. Company involvement in, and support for, neighborhood and community activities. (5 points maximum) 0
9. Economic need for, and impact of, requested phase-in. (5 points maximum) 0

Total Points 92

Years 10

SCORING	Max. Length of Deduction
10 or less points	1 year
11 to 20 points	2 years
21 to 30 points	3 years
31 to 40 points	4 years
41 to 50 points	5 years
51 to 60 points	6 years
61 to 70 points	7 years
71 to 80 points	8 years
81 to 90 points	9 years
91+ points	10 years